

VZCZCXRO3046  
RR RUEHGR  
DE RUEHPO #0089/01 0521230  
ZNR UUUUU ZZH  
R 211230Z FEB 07  
FM AMEMBASSY PARAMARIBO  
TO RUEHC/SECSTATE WASHDC 9140  
INFO RUCNCOM/EC CARICOM COLLECTIVE  
RUEHAO/AMCONSUL CURACAO 1105  
RUEHOT/AMEMBASSY OTTAWA 0079  
RUEHMT/AMCONSUL MONTREAL 0009  
RUEHC/DEPT OF LABOR WASHDC

UNCLAS SECTION 01 OF 02 PARAMARIBO 000089

SIPDIS

SIPDIS  
SENSITIVE

DEPT FOR WHA/CAR - Laura Luftig, Mathew Buffington; WHA/CAN,  
WHA/EPSC, EB/TPP/BTA/EWH Beth Lampron

E.O. 12958: N/A  
TAGS: [ELAB](#) [PGOV](#) [NS](#)  
SUBJECT: GOLD MINE STRIKE BECOMES POLITICAL FOOTBALL

REF: 06 PARAMARIBO 291

PARAMARIBO 00000089 001.2 OF 002

11. (U) SUMMARY. A deadlock in negotiations for a new collective bargaining agreement culminated in a tense work stoppage at the gold mine owned by the Canadian company IAMGOLD. At the height of the conflict, President Ronald Venetiaan ordered extra army troops to the site to guard explosives at the mine and to prevent the miners from sabotaging any more of IAMGOLD's property. Meanwhile the Mediation Council for Labor Disputes, a government body, heard arguments from IAMGOLD management and the board of the union and ordered resumption of work. Contrary to the Commission's decision, IAMGOLD's management initially refused to open the locked gates to the plant, saying it needed to assess the damages and ensure safety. Politicians on both sides expressed varying degrees of sympathy with the strikers and criticized the company. END SUMMARY.

-----  
Surprise Strike  
-----

12. (U) Negotiations between IAMGOLD management and union representatives to reach a new collective bargaining agreement started eight months ago. According to the company's spokesman, Roy van Aerde, the two parties were near an agreement on January 25 when the union unexpectedly called for the strike. IAMGOLD management and the union representatives had left the negotiating table with the understanding that the representatives would go back to the miners to report on the progress made. A source relayed to the Embassy that the chairman of the union, Errol Snijders, urged the miners that striking would be best because IAMGOLD's management was dragging its feet. The union felt the company was unwilling to meet basic demands, including an increase in salaries, a holiday bonus, and arrangements for medical benefits and holidays - these same demands were the cause of a strike in May 2006 (see reftel). The strike commenced immediately after Snijders' meeting with the miners. Political figures across party lines expressed support for the miners which ranged from guarded (from the coalition) to accusations that the company puts the workers and Suriname itself in a position of "semi-slavery" (from the opposition).

-----  
Sabotage, military presence, and coup references  
-----

13. (U) Roughly 200 of the 1100 IAMGOLD employees participated in the initial strike; this number decreased significantly over the five days the strike lasted, as many did not agree with the union's strong-arm tactics. Workers barricaded the gate at the gold

processing plant, the roads to the open pit mine, and the explosive depots with heavy mining vehicles and equipment. They disabled company property including ATVs and trucks, and sabotaged the electricity and water supply to the refinery. Army troops permanently stationed at the mine to guard the explosives depots were isolated and could not make contact with headquarters in Paramaribo. Union and military figures exchanged accusations of intimidation in the press.

14. (U) On January 28 President Venetiaan ordered extra troops to be sent to the mine. Snijders criticized Venetiaan for not siding with workers, but instead sending the army to "take care of business." Snijders exhorted the workers, "gentlemen, don't forget why 1980 came about. Do not let yourselves be misused by this government," a reference to the 1980 military coup, which was partly blamed on the government's failure to recognize union rights within the military.

-----  
Mining company foot-dragging on Mediation Council decision  
-----

15. (U) The union and IAMGOLD's management were summoned to appear before the Intermediation Commission for Labor Disputes on January 29. After hearing both parties the commission ruled that the strike was unlawful and parties would have to continue negotiations to reach a collective bargaining agreement. IAMGOLD's CEO Joseph Conway said that production would only resume after the company finished assessing damages, and after measures were taken to guarantee a safe working environment for the miners-IAMGOLD finally reopened the mine on February 19. According to company spokesman van Aerde, damage to equipment and vehicles is enormous, and the company will seek damages from the union for all losses suffered - IAMGOLD officials speculated in the press on damages of around a half million U.S. dollars. Meanwhile, in a first for Suriname, the authoritative Mediation Council found its decision disputed: IAMGOLD director Denis Meville Deschenes said the council is not impartial, and said it changed articles in a draft collective labor

PARAMARIBO 00000089 002.2 OF 002

agreement with the labor union. Opposition figure Jiwan Sital called IAMGOLD's actions a "power play" in parliament, and unrelated unions jumped into the fray, saying the company's actions set a bad precedent.

-----  
Comment  
-----

16. (SBU) No side has looked good. The decision taken by President Venetiaan to send extra troops to the Rosebel plant only worsened the already explosive situation. The comments and tactics of Union Chairman Errol Snijders (who served as Minister of Foreign Affairs and Minister of Labor during Presidency of Jules Wijdenbosch and is known to have been a personal friend of former military strongman Desi Bouterse in the 1980s) suggest a secondary goal of political destabilization. IAMGOLD lost credibility by appearing to thumb its nose at a decision taken by a respected government body, and fanned the flames of nationalistic calls for more Surinamese profit in deals with multinationals - already a strong current in parliament and the press in recent months. In the end, the dispute is likely to contribute to sharp public alienation and displeasure with politicians and power brokers of all stripes. However, for the moment tensions have abated and open conflict between the military and the strikers has been averted.

GENTON